

# **Scope 2 Technical Working Group Meeting**

## **Meeting #17**

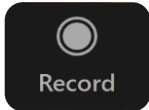
**July 28, 2025**



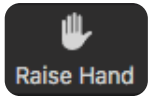
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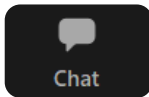
World Business  
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This meeting is recorded.



Please use the Raise Hand function to speak during the call.



You can also use the chat function in the main control.



Recording, slides, and meeting minutes will be shared after the call.



Be mindful of sharing group discussion time; keep comments as succinct as possible.

## TWG Documents sharing

- **TWG members (SharePoint):**
  - **SharePoint with restricted access** (TWG members and Secretariat – internal use only) will be used for all relevant documents for TWG members.
  - TWG members **are granted view only access** for their TWG's folder and cannot make changes to sub folders and documents.
  - Documents will be uploaded by Secretariat **in pdf format** as default five days prior to a TWG meeting.
  - Documents for TWG member track change edits or comments to be uploaded as .docx .
  - **Documents not posted to the GHG Protocol website are for internal use only and should not be circulated.**
- **Public (GHG Protocol Website):**
  - **Selected TWG documents** will be posted on the [Governance Document Repository](#) on the GHG Protocol website after TWG meetings. These include:
    - Meeting agendas
    - Meeting slides
    - Meeting minutes
    - Discussion papers
  - Not to be published: internal working documents of TWGs

# Agenda

1. Housekeeping
2. Goal of today's meeting
3. Feedback from ISB
4. Supporting materials for Phase 1 consultation
5. Next steps



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# Goal of today's meeting



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## Goal of today's meeting

1. Share ISB decisions & feedback on scope 2 LBM and MBM revision proposals
2. Share ISB decisions & feedback on consequential measures proposal
3. Discuss development of additional materials to support public consultation

# Feedback from ISB



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## July ISB meeting – Feedback on Scope 2 revisions

The following slides outline the Independent Standards Board (ISB) decisions on the Scope 2 Phase 1 revisions and the Consequential Subgroup Proposal and summarize feedback on these topics from ISB members and Observing Entities.



# ISB Voting Options & What They Mean for Public Consultation

- The Independent Standards Board (ISB) was asked to vote on whether each proposal should proceed to public consultation, using the standardized options below. Their decisions determine the next steps for GHGP.
  - With majority of A & B votes: ISB feedback will inform the consultation draft and public consultation moves forward. This is a clear “yes” to consultation, with space for ongoing refinement.
- 
- A. Yes: Proceed as-is**
    - *OK to proceed to public consultation with existing draft largely as-is.*
  - B. Yes: Proceed, with some refinements**
    - *OK to proceed to public consultation, with some areas of concern addressed through continued TWG/ISB deliberation over the next 3 months, and some areas to remain open for public input.*
  - C. No: Do not proceed unless major issues are resolved first**
    - *Not OK to proceed to public consultation unless certain major issues are resolved prior.*
    - *A vote for C indicates that the proposal needs major revision, realignment, or redirection before public consultation, including being restructured, reassigned to a different TWG, or otherwise significantly reconsidered.*
  - D. No: Do not proceed**
    - *Not OK to proceed to public consultation.*
    - *A vote for D reflects a view that the topic is fundamentally misaligned with GHGP principles and should not move forward at all.*
  - E. More information required**

## July ISB meeting feedback on proposed revisions

ISB members were asked to vote on the proposed revisions progressing to public consultation.

Topic / Question	Yes: Proceed as-is	Yes: Proceed, with some refinements	No: Do not proceed unless major issues are resolved first	No: Do not proceed
1. Do you support the proposed updates to the Location-Based Method progressing to Public Consultation?	6	4	1	0
2. Do you support the proposed updates to the Market-Based Method progressing to Public Consultation?	1	9	1	0
3. Do you support development of a legacy clause that could allow existing long-term contracts that clearly align with the current Scope 2 Quality Criteria to continue to be counted as matched consumption, even if they do not meet hourly or deliverability requirements?	6	4	1	0
4. Do you support the Consequential Measures Subgroup's Proposal 1 (routine marginal emissions metrics) progressing to Public Consultation?	0	4	7	0

## July ISB Meeting – Feedback on Location-Based Method

**Majority support for the proposed updates to LBM progressing to Public Consultation (10/11 members).** ISB members expressed broad support for the revisions to the location-based method. Feedback shared on the following:

### **Definition of “accessible”**

- Members noted it will be important to establish clear definitions of “publicly available” and “credible source”.
- Some members expressed interest in requiring use of granular data that may not meet definition of “free to use” where it better represents an activity.

### **Emission Factor hierarchy**

- Request to more critically examine the hierarchy’s use of nodal-level power flows as the most granular geographic boundary.

### **Using consultation effectively**

- Members suggested using targeted consultation to collect feedback on specific feasibility concerns and the impact of revisions to ensure geographical, SME, and industry specific representation in consideration of feedback.

### **Minority vote for “No, in order to support these proposed updates progressing to Public Consultation, I have significant concerns that need to be addressed” (1/11 members)**

- A Member expressed that whilst they appreciate the updates from an integrity and scientific perspective, they have concerns with hourly matching related to practicality, cost and access to infrastructure in some regions.

## (1/2) July ISB meeting – Feedback on market-based method

**Majority support for the proposed updates to MBM progressing to public consultation (10/11 members).** ISB members expressed broad support for the revisions to the Market-based method. Feedback raised on the following:

### Implementation details

- Some members noted alignment with TWG feedback that additional implementation details need to be further developed in support of consultation for the following areas:
  - How to use profiled loads for hourly matching
  - Exemptions
  - Deliverability
  - Standard Supply Service

### Using consultation effectively

- Members suggested using targeted consultation to identify feasibility barriers that remain unresolved even after applying potential solutions such as exemptions, phased implementation, or profiled loads, and to ensure geographic, SME, and industry-specific perspectives are fully represented.
- Some members suggested using consultation to collect feedback on some topics discussed in the Alternative Proposals

## (2/2) July ISB meeting – Feedback on market-based method

### Evaluating evidence across markets

- Several members emphasized the importance of continuing to gather and review available evidence to assess feasibility and potential impacts of the proposed MBM updates in different market settings, including:
  - Quantifying data availability for hourly matching (inclusive of profiled data) in different geographies
  - Using data (e.g., CDP or other market surveys) to estimate number of companies impacted by proposed changes
  - Assessing how Scope 2 changes may influence investment patterns and energy system development

### Minority vote for “No, in order to support these proposed updates progressing to Public Consultation, I have significant concerns that need to be addressed” (1/11 members)

- A Member expressed that whilst they appreciate the updates from an integrity and scientific perspective, there are still places in the world where the infrastructure is not there, and hourly matching is not feasible. Suggested “May” requirement rather than “Shall” for hourly matching.

## July ISB meeting – Feedback on Legacy Clause (i.e., "Grandfathering")

**Majority support for the development of a legacy clause (10/11 members).** ISB members expressed broad support for the development of an appropriately designed legacy clause. Feedback raised on the following:

### Defining implementation details

- Some support for considering a time limit to a legacy exemption rather than a permanent exemptions to prevent undermining the benefits of moving toward more granular accounting.
- Some support for Alternative Proposal *"Support Temporary Phase-In, Oppose Ongoing Exemption"*
- Members noted the importance of robust implementation of the legacy clause, e.g. defining clear qualifying criteria, cut off dates, guidance on reporting (e.g. how legacy EACs are allocated when not time matched or from deliverable grid regions) and claims

### Further analysis of impact of legacy clause

- Request for assessment of the potential financial implications and effect of a legacy clause.

**Minority vote for "No, in order to support the direction, I have significant concerns that need to be addressed" (1/11 members)**

## July ISB meeting – Feedback on Marginal Impact Method Proposal

**Majority support for “No, in order to support the direction, I have significant concerns that need to be addressed” (7/11 members).** ISB members did not support approving the proposal for public consultation. Feedback raised on the following:

### Support for continued development

- Broad support for continued development of consequential or beyond value chain mitigation (BVCM) impacts related to the electricity sector.
- Broad support for coordinating with AMI on development of impact reporting, of which components of the MIM proposal should be further developed.

### Implementation details

- Some concerns about the development of a netting or target-setting approach, rather than simply an avoided emissions methodology (more support for the avoided emissions half of the equation than the consumption impact half).
- Consensus view that the additionality test, as described in the MIM proposal, is not sufficiently rigorous to support avoided emission claims.
  - Request to examine relevant existing standards on additionality for potential alignment, such as Article 6.4.
  - Request for AMI to first consider additionality in the context of sector-agnostic impact accounting and reporting, and then apply those principles to specific sectors, which would include electricity.
- Some concerns were raised regarding the methodology and use of marginal emission rates.
  - Concern about a standard 50:50 weighting across build and operating margin impacts.
  - Concern about the credibility of marginal emission factors for specific claims, due to the current lack of consensus on a standardized calculation methodology.

**Minority vote for “Yes, I support the proposal progressing to public consultation, but with concerns or suggestions.” (4/11 members)**

# **Supporting materials for Phase 1 consultation**



## Tasks to support consultation: consequential measures for electricity sector

- Informed by ISB feedback, the GHGP Secretariat will include questions regarding the key details for quantification of avoided emissions in the electricity sector for public consultation (in parallel with the public consultation of the scope 2 material).
- The Secretariat will coordinate with the Subgroup on development of public consultation materials.

### Post consultation

- After the public consultation period has ended the topic of avoided emissions quantification will be taken up by the full AMI TWG.
- Information gathered through consultation will be utilized by AMI as an input to their process.
- At that stage the Secretariat may nominate members of the Scope 2 TWG to participate in this process as appropriate.

## **TWG & ISB feedback indicated topics where further explanation, data, or examples will support effective public consultation**

- Location-based method emission factor hierarchy
- Market-based method:
  - Hourly matching load profiles
  - Exemption thresholds
  - Deliverability
  - Standard Supply Service
- Legacy Clause

**Informed by ISB decisions and feedback, the Secretariat has identified specific tasks to support development of each of these topics.**

## Tasks to support consultation: location-based method

- **Location-based method emission factor hierarchy**
  - Provide further definitions and simple-language explanations for each spatial boundary listed in the hierarchy
  - Provide global examples of “publicly available, free, and credible” emission factors for each level of the hierarchy. Include details on transparency requirements for data provider methodology.
  - Include examples in hierarchy of common location-based emission factors currently used in different regions globally and where this emission factor now fits under the new hierarchy.

## (1/2) Tasks to support consultation: market-based method

- **Hourly Matching Load Profiles**
  - Provide examples of where load profile data can be sourced for different regions/industries
  - Provide worked example of how monthly or annual contractual instruments combined with hourly generation-side profiled data could be allocated (i.e. how to allocate contractual instruments to specific hours)
- **Exemption threshold**
  - Provide data showing proportion of companies in different regions and corresponding load that would meet an exemption threshold if set at different values (e.g. a 5, 10, 15 GWh per region) or using SME thresholds.
- **Deliverability**
  - Provide more examples of “deliverable” market boundary in different regions with explanation of why this is considered “deliverable”
  - Develop a comparison of common electricity sector boundaries used for market-based instruments and how these boundaries would change under proposed deliverable market boundary.
  - Provide simple-language explanation of why Alternative Methodology 1 & 2 are considered “deliverable”
  - Provide simple-language explanation of why guidance for African continent is considered “deliverable”

## (2/2) Tasks to support consultation: market-based method

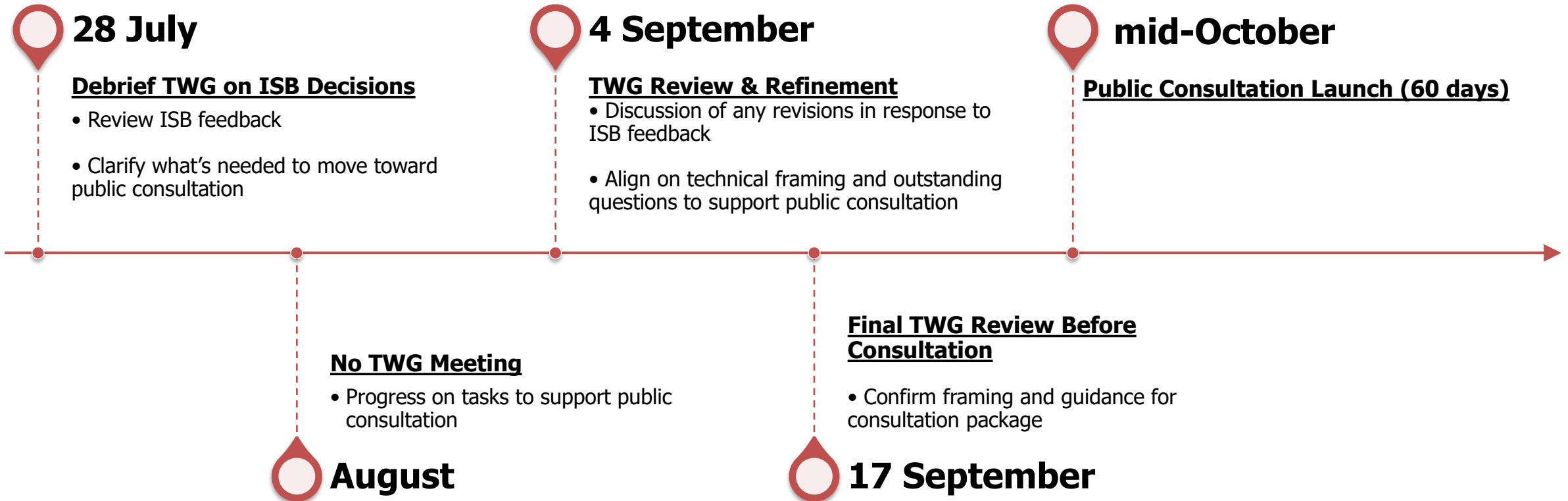
- **Standard Supply Service**
  - Provide additional examples of what is considered Standard Supply Service in different global regions
  - Develop a comparison of current treatment of resources considered Standard Supply Service and proposed new treatment. (i.e. what is the likely impact for reporters in different regions?)
  - Provide worked example of a MBM calculation including Standard Supply Service
- **Legacy clause**
  - Provide data showing number of long-term contracts that exist that would show clear alignment with the Scope 2 Quality Criteria. Show distribution of these contracts across different regions.
  - Provide data showing intersection between existing long-term contracts and Standard Supply Service.

# Next steps



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# Timeline to consultation



## Next steps

**There will be no TWG meetings held in August.**

- Meeting #18: Thursday, September 4<sup>th</sup>, 17:00 EDT/23:00 CEST/06:00 CST



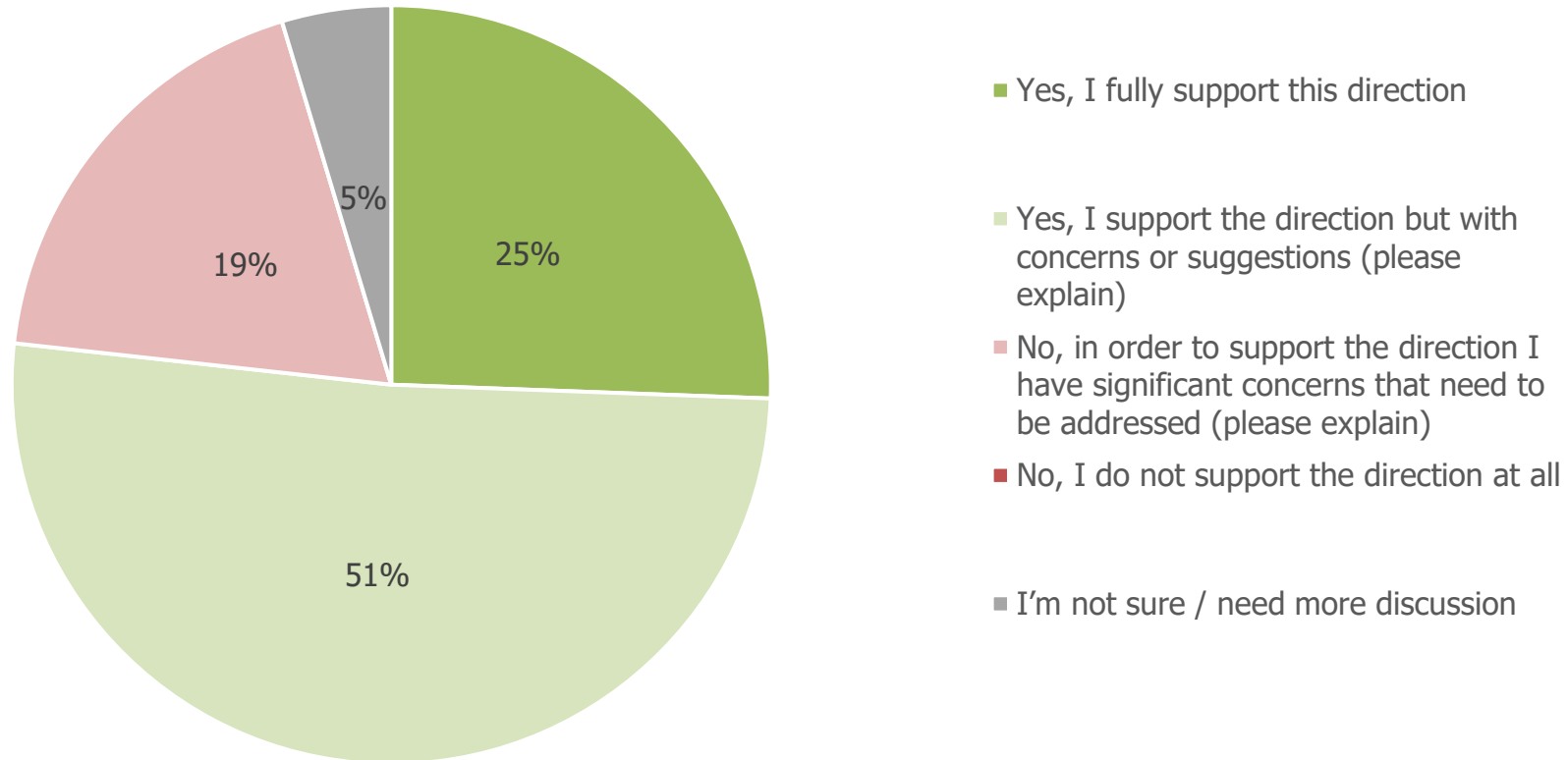
## Thank you!

If you'd like to stay updated on our work, please [subscribe](#) to GHG Protocol's email list to receive our monthly newsletter and other updates.

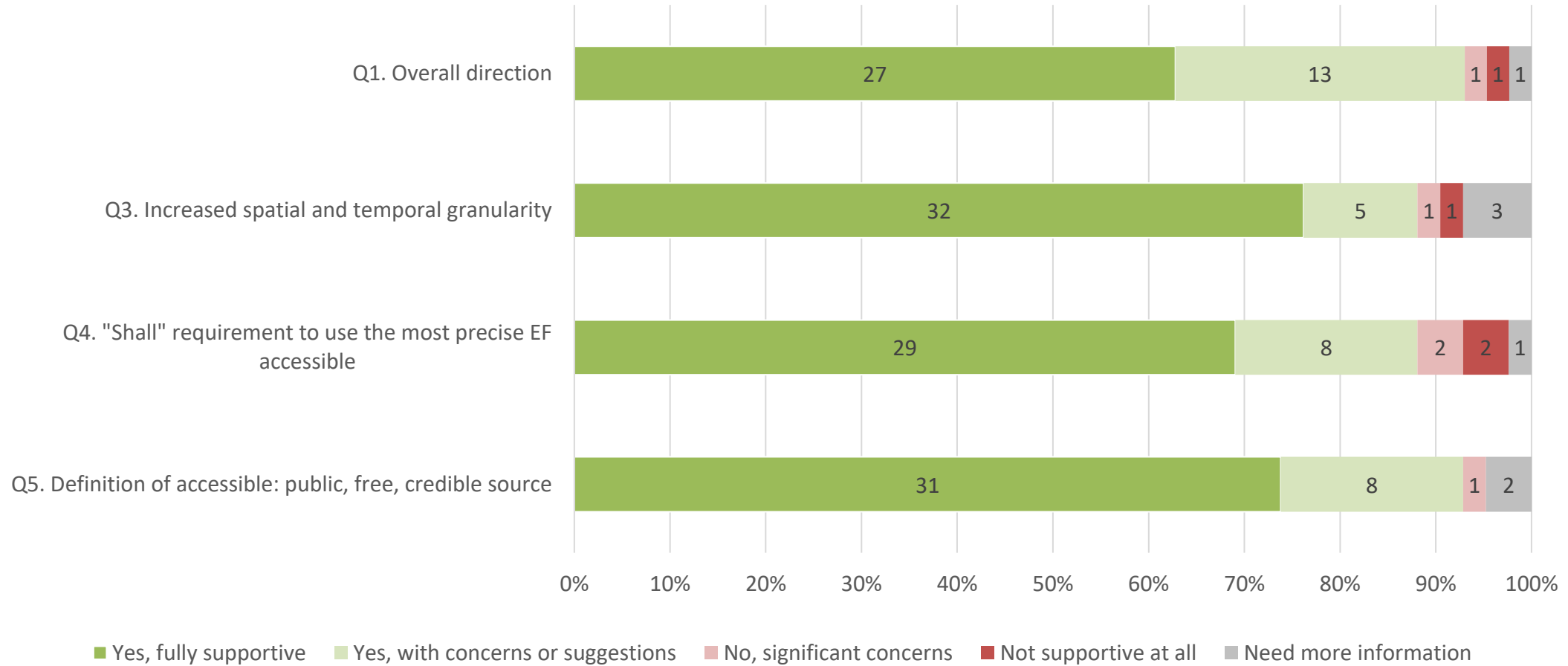


# **Supplementary slides**

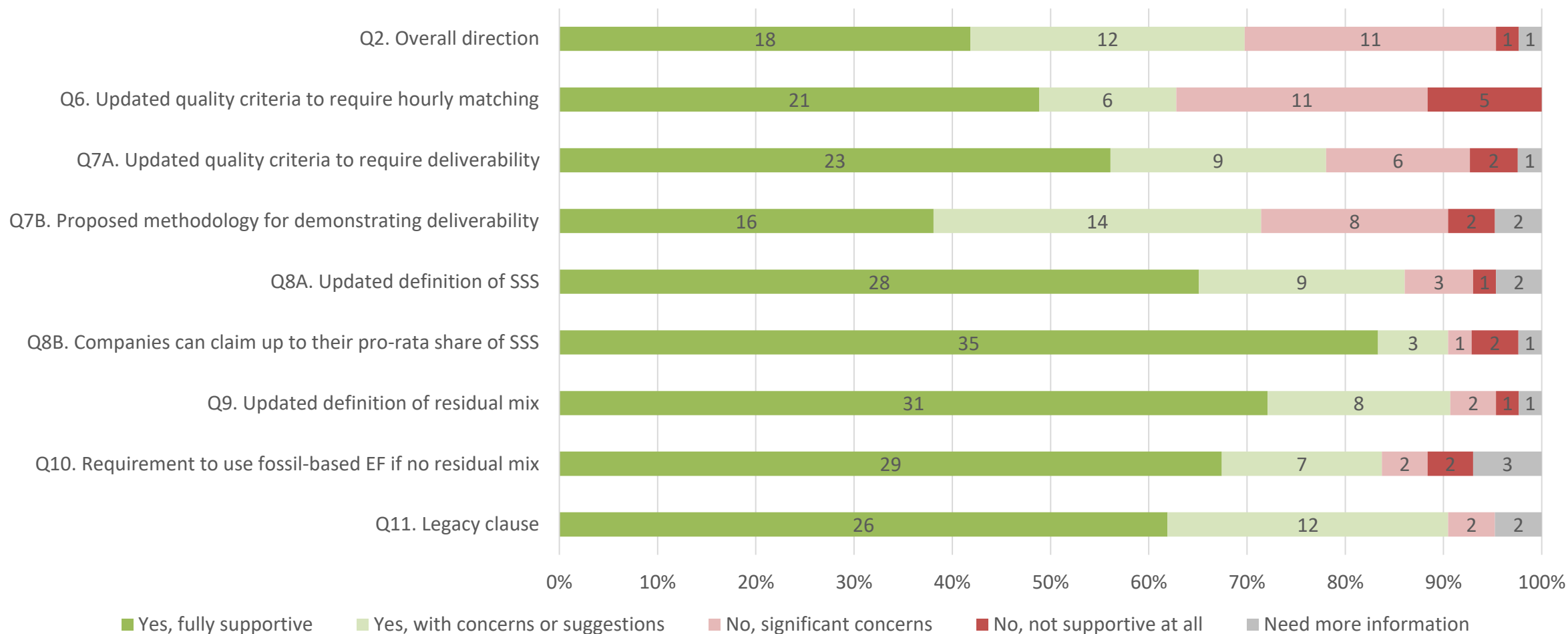
(1/4) TWG voting outcomes from meeting #16: **Do you support the overall direction of the Phase 1 revisions, including updates to location- and market-based method and the Consequential Measures Subgroup Proposal 1 under development?**



## (2/4) TWG voting outcomes from meeting #16: **Proposed updates to the location-based method**



### (3/4) TWG voting outcomes from meeting #16: **Proposed updates to the market-based method**



## (4/4) TWG voting outcomes from meeting #16: **Consequential measures subgroup proposal**

